

# Prescient Fund Services: Accurate Modelling and Pricing using FINCAD Analytics Suite from Numerix

## Prescient®

Prescient Fund Services (Prescient) offers specialist outsourced administration and platform services to asset managers, multimangers and other institutional investment providers.

### THE CHALLENGE

When Prescient began implementing a new third-party investment accounting platform, Eagle Investment Systems (Eagle), the firm identified a need for an instrument valuation and trade solution that could price fixed income and derivatives instruments. Prescient required software that they could use to quickly and accurately model and price a range of instrument types necessary to its administration activities.

Additional requirements were that the software be easy-to-use, offer comprehensive documentation, and provide the flexibility to create models for valuing a diverse range of instrument types.

### SOLUTION

Following a thorough evaluation process, Prescient selected FINCAD Analytics Suite from Numerix, a user-friendly derivatives valuation and risk management solution. Offering extensive cross-asset coverage of derivatives and fixed income instruments,

FINCAD Analytics Suite is the industry's easiest to use valuation tool.

"FINCAD was an attractive option because of its extensive library of functions that cover the full instrument universe that we need to price for investment accounting purposes," commented Brett Kalil, Valuation and Risk Specialist at Prescient. "Additionally, we could be sure that as new and more complex instrument types crossed our path, FINCAD would have all the functionality we need to value these instruments."

Prescient was also drawn to the Excel-based nature of the FINCAD solution, which provided the flexibility to create and adjust models as necessary. But the specific functionality that clinched Prescient's decision to go with FINCAD, was accurate valuation coverage for over-the-counter (OTC) instruments such as floating rate notes, short-term fixed rate bonds, interest rate swaps, South African bonds and options.

Prescient's initial goals for the FINCAD solution were that it cover the full gamut of instrument types found in their clients' portfolios, minimize time required to build models to value these instruments, as well as allow for the valuation of a growing breadth and complexity of instrument types.

## THE RESULTS

FINCAD Analytics Suite from Numerix provides Prescient with an extensive library that the firm uses to build out the models required to value various instrument types. Specific benefits of implementing FINCAD are discussed below.

**Utmost Flexibility:** Prescient has been pleased with FINCAD's flexibility, which empowers them to easily build customized models that deal with the nuances of different instruments. The firm utilizes FINCAD models on a daily basis to price OTC instruments, which are used in overall portfolio valuations.

**Powerful Analytics Library:** Prescient is benefitting from a flexible, accurate and easy-to-use valuation and risk system offering a large library of useful functions. FINCAD software has enabled the firm to build all of their required instrument valuations models and integrate them with their processes. Kalil described, "FINCAD offers pre-developed models for pricing a large range of instrument types. This enables us to implement new models quickly and without needing to build everything from first principles."

**Expert Support:** Access to FINCAD's expert support team is another key benefit. "Having ongoing access to FINCAD's knowledgeable quants via the support portal has been invaluable. They provide us with exceptional service, including timely and effective feedback on any technical queries," commented Kalil.

"FINCAD was an attractive option because of its extensive library of functions that cover the full instrument universe that we need to price for investment accounting purposes."

**BRETT KALIL, Valuation and Risk Specialist, Prescient**

## LOOKING AHEAD

Looking down the road, Prescient plans to continue growing their client base, as well as broadening their coverage in the alternative investments space. Alongside these goals, the organization is working towards expanding their service offerings to include performance attribution and ex-ante risk services.

"Our growing client base and additional service offering will require us to model a broader range of instruments with greater complexity. The FINCAD solution is well positioned to meet both our immediate and longer-term needs," said Kalil.

The firm is currently in the process of implementing FINCAD within their accounting software. Once the implementation is complete, they expect to see a continued improvement in operational efficiency. "The fact that FINCAD has partnered with Eagle will enable us to value instruments directly within the system, further improving automation of our processes," concluded Kalil.



**FiNCAD**<sup>®</sup>

Email [info@fincad.com](mailto:info@fincad.com)  
Web [fincad.com](http://fincad.com)

## STAY AHEAD OF THE CURVE

**AMERICAS** 1 800 304 0702  
**EMEA** 00 800 4400 5060  
**APAC** 86 10 8524 1781

**Vancouver** 1 604 957 1200  
**New York** 1 646 217 4570  
**London** 00 44 20 8584 1510  
**Dublin** 00 353 1 400 3100

